

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER CHATBURN
COMMISSIONER HAMMOND
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: TAYLOR BROOKS
DEPUTY ATTORNEY GENERAL

DATE: MARCH 8, 2022

SUBJECT: IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO INCREASE ITS RATES FOR ELECTRIC SERVICE TO RECOVER COSTS ASSOCIATED WITH THE JIM BRIDGER POWER PLANT; CASE NO. IPC-E-21-17.

BACKGROUND

The Company and PacifiCorp jointly own the Jim Bridger Power Plant ("Bridger") plant located in Wyoming. Application at 2. Bridger is comprised of four coal-fired units built in the 1970s. *Id.* PacifiCorp owns two-thirds of Bridger and is the plant operator. *Id.* The Company owns one-third. *Id.* On June 3, 2021, the Company applied to the Commission for authorization to accelerate the depreciation schedule for Bridger to allow the plant to be fully depreciated and recovered by December 31, 2030. *Id.* at 1.

In its Application, the Company asked to establish a balancing account and the necessary regulatory accounting to track the incremental costs and benefits associated with the Company's cessation of participation in coal-fired operations at Bridger. *Id.* The Company also asked that customer rates be adjusted to recover the associated incremental annual levelized revenue requirement of \$30,825,729 with an effective date of December 1, 2021, which equates to an overall increase of 2.53 %. *Id.* The Company separately proposed rate changes associated with the Depreciation Application in Case No. IPC-E-21-18 in addition to this Application. *Id.* at 1-2. The Company is also filing one set of proposed tariff sheets specifying the proposed rates for providing retail electric service to customers in the state of Idaho for both proposed rate changes. *Id.* at 8. The Company requested its Application be processed under Modified Procedure. *Id.* at 9.

On June 24, 2021, the Commission issued a Notice of Application and set a deadline for intervention. Order No. 35088. The Commission granted intervention into this matter to the Industrial Customers of Idaho Power (“ICIP”); ICL; the City of Boise (“Boise City”); Sierra Club; Clean Energy Opportunities, Inc., d/b/a Clean Energy Opportunities for Idaho (“CEO”); and Micron Technology, Inc. (“Micron”). Order Nos. 35094, 35102, and 35119. On July 28, 2021, the Commission issued a Notice of Parties.

On October 1, 2021, the Company and Commission Staff (“Staff”) filed a Joint Motion to Suspend Procedural Schedule (“Joint Motion”). The Joint Motion asked the Commission to suspend responses to discovery requests and further processing of this docket to address PacifiCorp’s proposal to convert Bridger Units 1 and 2 from burning coal to burning gas and the ongoing negotiation over the Wyoming State Implementation Plan. Joint Motion at 4. On October 1, 2021, intervenors ICL and Sierra Club responded by filing their Idaho Conservation League and Sierra Club Response To Joint Motion To Suspend Schedule (“Response”). Thereafter, on October 7, 2021, the Company replied to the Response by filing Idaho Power’s Reply To Joint Motion Response (“Company Reply”).

On November 17, 2021, the Commission suspended the procedural schedule and discovery until the Company files an update or requests to set the procedural schedule once more information is known, but no later than December 31, 2021. Order No. 35222. The Commission also suspended the effective date for 30 days and 5 months, or until May 31, 2022, unless the Commission issues an earlier order accepting, rejecting, or modifying the Company’s Application. *Id.*

On December 30, 2021, the Company filed a letter (“Update”) with the Commission stating that Idaho Power filed its 2021 Integrated Resource Plan (“IRP”) with a preferred portfolio that also identifies the cessation of coal-fired generation in Units 1 and 2 in 2023 with a natural gas conversion of those units in 2024. Update at 1. The Company also stated that the EPA has not yet formally acted on PacifiCorp’s proposed alternative regional haze compliance plan for Bridger Units 1 and 2. *Id.* at 2. The plan would require emission controls by December 31, 2021, for Unit 2 and December 31, 2022, for Unit 1. *Id.* The Company stated that on December 27, 2021, Wyoming Governor Mark Gordon issued a temporary emergency suspension extending the compliance date of Unit 2 through April 30, 2022, to give more time for the EPA to take action on the Wyoming SIP. The EPA is in discussions with PacifiCorp regarding this issue.

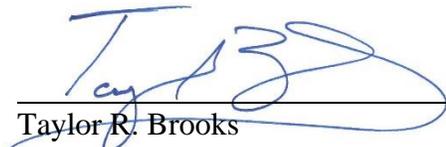
On February 7, 2022, the Company met with parties and discussed filing an amended application and a proposed schedule to resume processing this case. Amended Application at 3. On February 16, 2022, the Company filed an amended Application and requested, via modified procedure, that the Commission set a public comment deadline of April 29, 2022, a simultaneous reply comment deadline of May 13, 2022, and a Company reply deadline of May 18, 2022. Amended Application at 11. The Company requested that its proposed rates take effect June 1, 2022. *Id.*

STAFF RECOMMENDATION

Staff recommends that the Commission accept the Company's proposed schedule and issue a Notice of Amended Application and Modified Procedure setting a public comment deadline of April 29, 2022, a simultaneous reply comment deadline of May 13, 2022, a Company reply deadline of May 18, 2022, and an effective date of June 1, 2022.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Amended Application and Modified Procedure setting a public comment deadline of April 29, 2022, a simultaneous reply comment deadline of May 13, 2022, a Company reply deadline of May 18, 2022, and an effective date of June 1, 2022?


Taylor R. Brooks
Deputy Attorney General

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